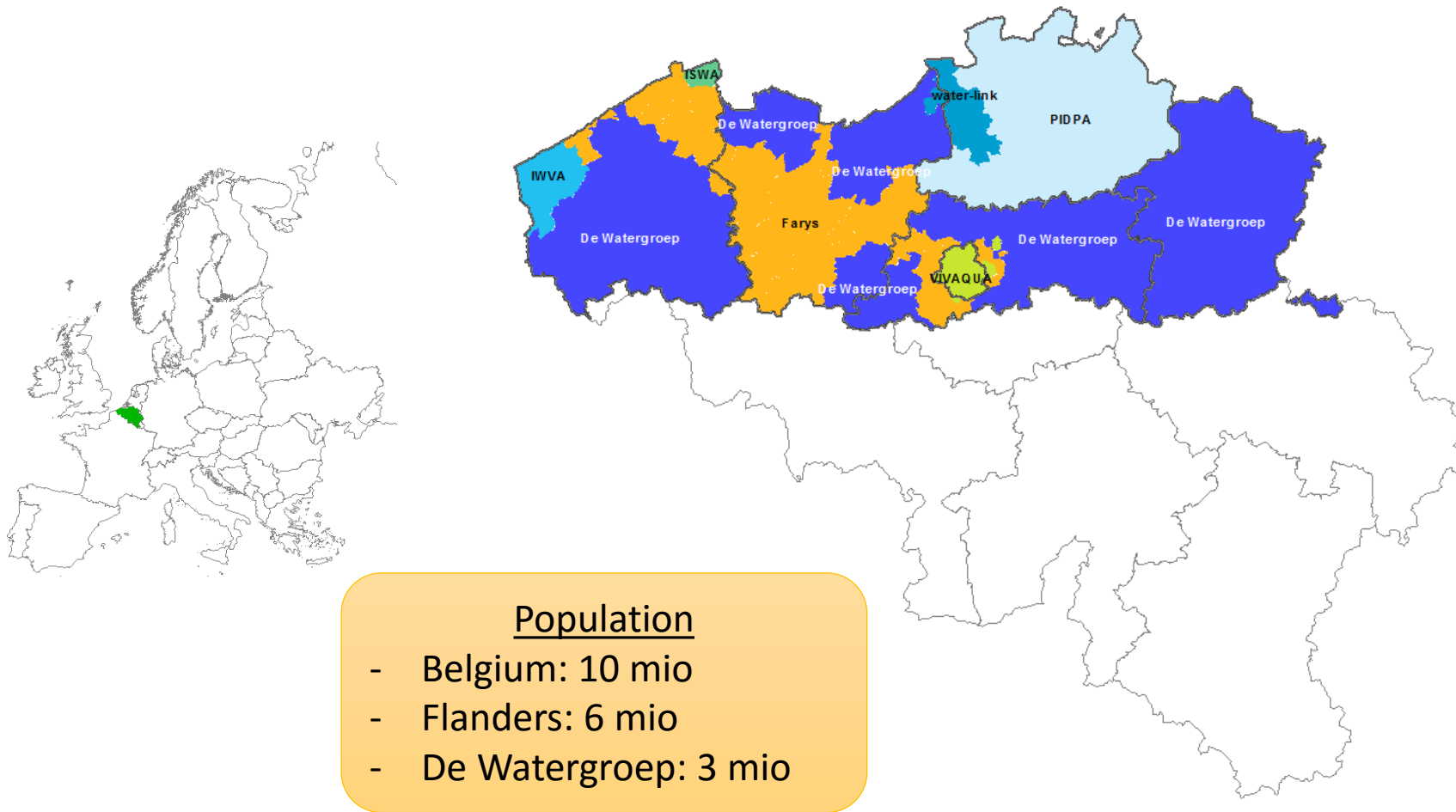


Regional Economic Workshop

Water tariffs and affordability

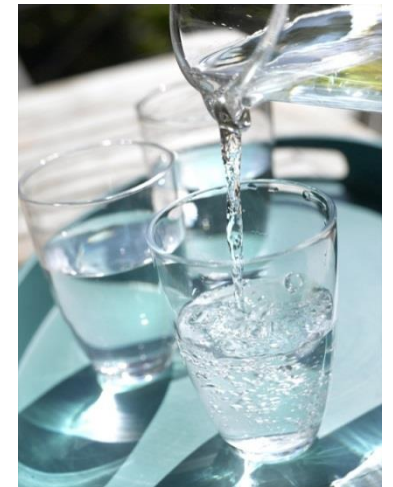
The new water bill 2016 in Flanders:
what about the low income customers?

Water sector in Flanders



De Watergroep – Our customers

- ❖ Largest water company in Flanders
- ❖ Autonomous public water company
- ❖ 175 municipalities
- ❖ 1.3 million connections
- ❖ Growing markets for:
 - ❖ industrial water treatment
 - ❖ engineering services in the water cycle
 - ❖ sewerage systems and sewage treatment
- ❖ 1 400 employees
- ❖ Turnover of 570 mio EUR



De Watergroep - Our mission and vision

❖ **MISSION: We make water with a customised service.
Today, for tomorrow's generation.**

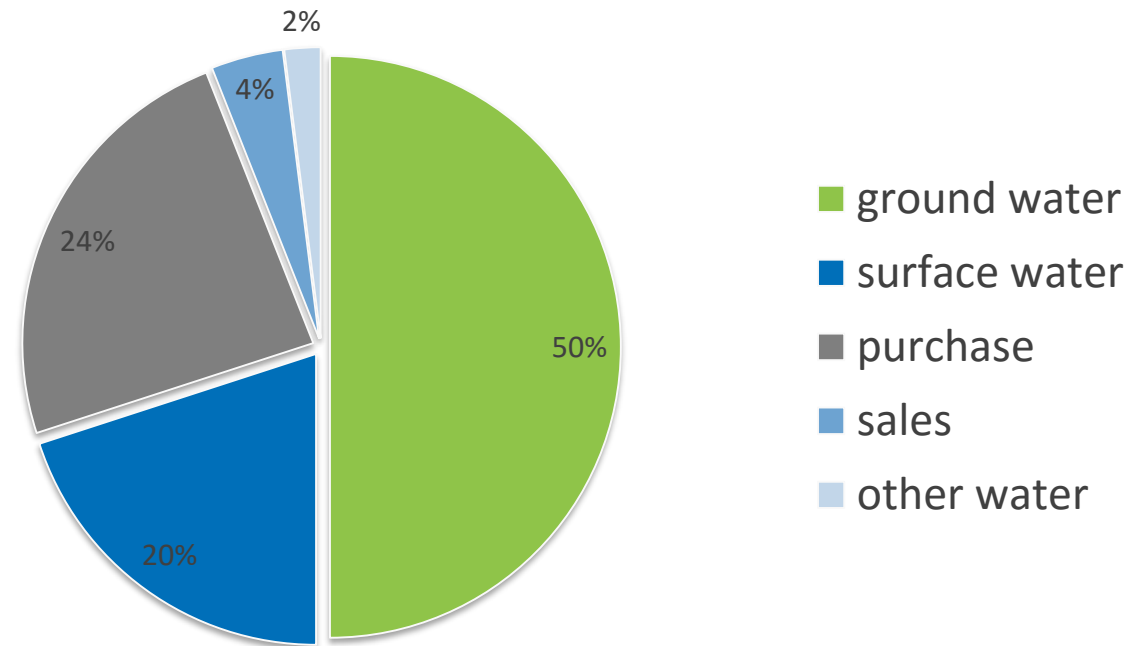


❖ **VISION:**

- ❖ De Watergroep has a **passion for water**, being the source of life and health.
- ❖ Our **technological advantage** is a strong asset that we develop and valorize.
- ❖ We treat people and assets in a **sustainable** way.
- ❖ We are an **influential partner** in Flanders and abroad.

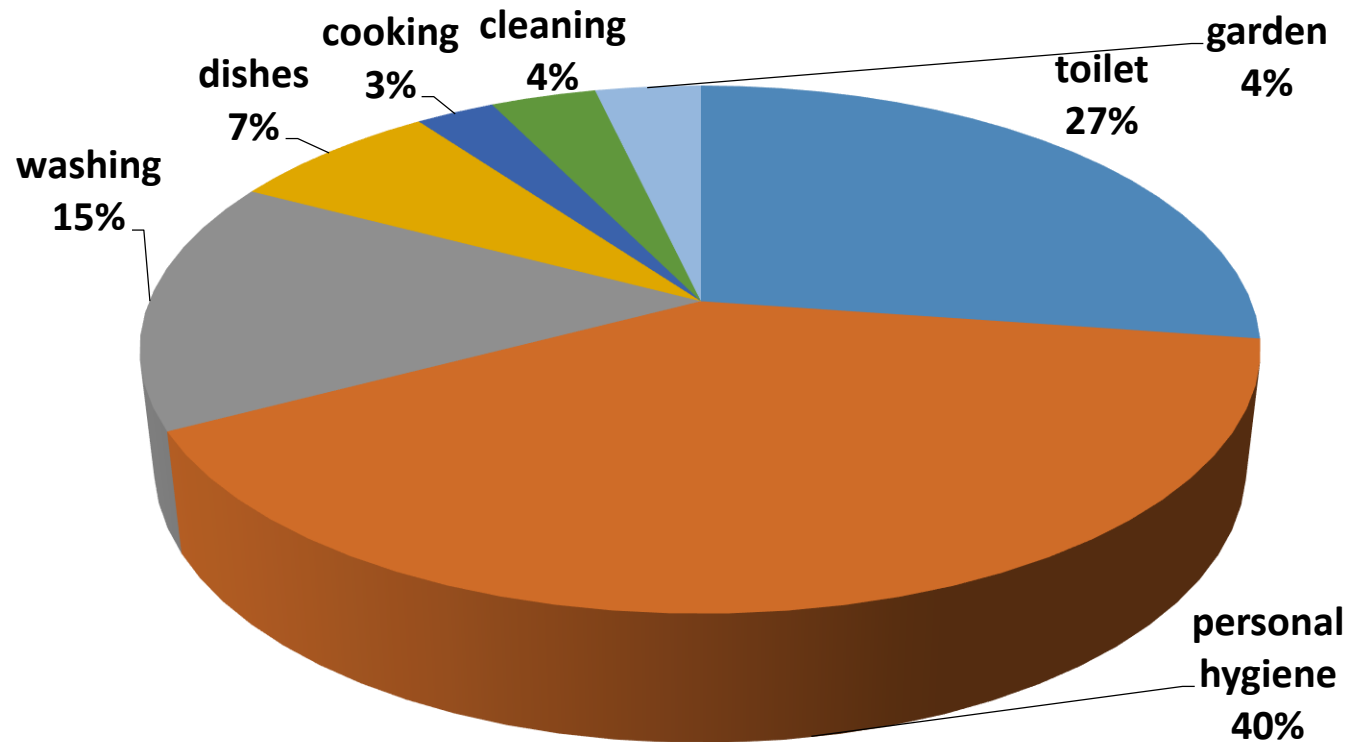
De Watergroep - Our production

Volume available for distribution: 153 mio m³/year



De Watergroep – domestic water consumption

❖ Average consumption for households of **71 m³/connection** (2,33 inhabitants/connection)



❖ Decreased with 12,5% over the last 10 years

Since 2016 new tariff policy in Flanders

- ❖ Unique tariff structure for Flanders
- ❖ Fixed charge is determined by the regulator
- ❖ No more water for free...15 m³ per person

TARIFFS FOR DRINKING WATER – DOMESTIC CUSTOMER

- Fixed charge/connection: 50 euro
- Discount fixed charge: -10 euro/pp
- Variable charge Basic for 30 m³ + 30 m³pp: 1,48 euro/m³
- Variable charge Comfort (above basic consumption): 2,96 euro/m³

Since 2016 new tariff policy in Flanders

TARIFFS FOR DRINKING WATER

See previous slide

TARIFFS FOR SEWAGE

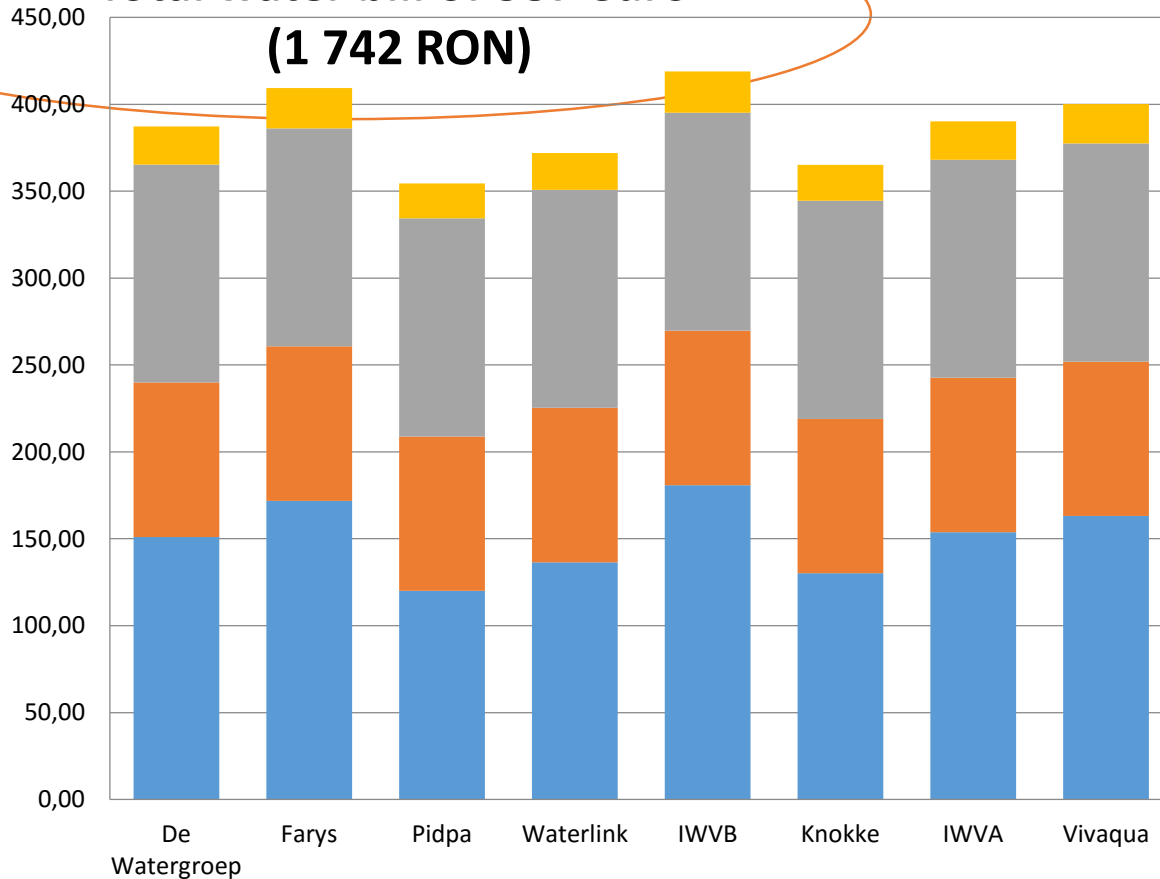
TARIFFS FOR WASTEWATER TREATMENT

Same structure as drinking water:

- Fixed charge
- Variable charge
 - Basic
 - Comfort

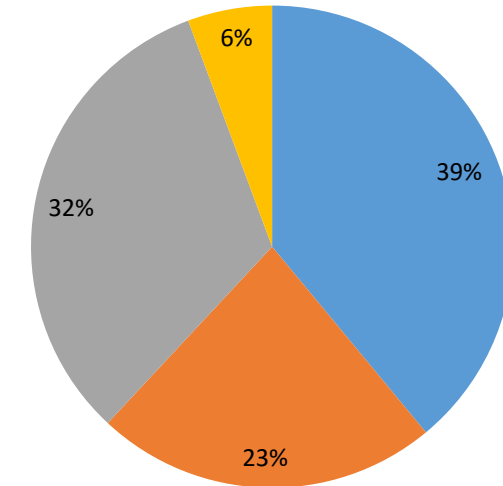
The average waterbill anno 2016

**Total water bill of 387 euro
(1 742 RON)**




De Watergroep

■ DRINKING WATER ■ WATER TREATMENT ■ SEWAGE ■ VAT 6%



1 euro = 4,5 RON

Comparison water bill 2015-2016

- ❖ No residents (second residence) / consumption of 30 m³
 - waterbill -16%
 - ❖ 1 resident / consumption of 50 m³
 - waterbill -7%
 - ❖ 3 residents / consumption of 100 m³
 - waterbill +4%
 - ❖ 5 residents / consumption of 200 m³
 - waterbill +8%
- 

- ❖ Price elasticity
- ❖ Political issue

Political solution: Compensation for social customers

Categories:

- ❖ People with social integration benefit
- ❖ Low income seniors
- ❖ Disabled persons

8% = 100 000 connections

Financial benefits:

- ❖ 80% reduction of the water bill
- ❖ Monthly invoicing
- ❖ Customized repayment plan
- ❖ Reminders without costs

Extra services:

- ❖ Yearly register watermeter (for free) on request
- ❖ Free waterscan at home

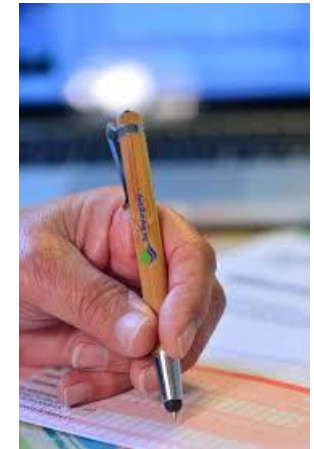
Payment KPI's

Untill 2016:

- ❖ Social customers => 8%
- ❖ Asking delayed payment => 2,7 % of the customers
- ❖ Urgent reminder with extra cost => 8,7 % of the customers
- ❖ Cut of the water supply => 0,04%

After 2016:

- ❖ Effect of new tariff structure?



Ultimate goal: affordable water bill for everyone

- ❖ Total cost recovery <-> affordable tarification
- ❖ Social benefits need to be compensated to run a company
- ❖ Financial benefits for social customers are being paid by “usual” customers
- ❖ Important to doublecheck databases of social customers



Tip: intelligent metering combination

- ❖ Combination of meter and valve (IOT based)
- ❖ Online consumption check
- ❖ Online detection of leakages
- ❖ Prepaid possibilities
- ❖ Possibility of minimum water delivery (f.e. 10 l/hour)

